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SIPDIS

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DEPT ALSO FOR AF/RSA: DANIEL EPSTEIN  
DEPT ALSO FOR AF/S, EAP

E.O. 12958: N/A

TAGS: [ETRD](#) [PGOV](#) [PREL](#) [EINV](#) [CH](#) [LT](#)

SUBJECT: LESOTHO: INPUT FOR US/CHINA DIALOG ON AFRICA

REF: STATE 24937

11. (U) Per REFTEL request, Embassy Maseru provides the following information on the relationship between the Kingdom of Lesotho and the People's Republic of China.

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Lesotho and China  
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12. (SBU) Relationship: Cordial and deepening.

Public Perception: Mixed Views. The general population is highly suspicious and views the resident Chinese population as clannish, culturally insensitive, and taking business opportunities away from locals. Some locals, including political opposition leaders, perceive Chinese investors and business owners (who run an apparel and textile industry that employs over 40,000 Basotho) as exploitative, paying inadequate living wages.

Chinese trade/investment: Significant commerce supply of knit fabric for apparel factories. Little or no investment in private sector; garment factories mainly operated by Taiwan-based companies. However, with 5,000 PRC mainland citizens in Lesotho, many small shops in rural areas are Chinese-owned. Free trade negotiations with the PRC are slated to begin in the near future.

Assistance: PRC development assistance is fairly significant: grants concentrating on infrastructure and equipment for GOL; construction of National Convention Center and National Library and Archives; project to update and expand television and radio broadcast coverage. The PRC is building a new Parliament facility.

Intersection with U.S. Interests: Both the U.S. and China support many GOL initiatives, but there is no major Chinese investment in economic development.

Military Relationship or Issues: The PRC offers some training programs.

High Level Visits: State visit by Lesotho's Prime Minister and several Ministers to China in December 2006.

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Long-Term Pragmatism  
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13. (SBU) COMMENT: In this pragmatic relationship, China offers concrete and visible contributions to Lesotho, as well as travel for senior officials and short-term military and business training programs. Educational support has extended beyond the military to ministries and the general population, previously

including studies by the Prime Minister's daughter-in-law. All  
of these factors indicate plans for a long-term engagement  
strategy. END COMMENT.

PERRY